



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities

Washington, D.C. 20549

(Prepared by the SEC Office of Public Information)

(Issue No. 72-115)

FOR RELEASE June 16, 1972

COMMISSION ANNOUNCEMENT

SEC PROPOSES OIL AND GAS DRILLING PROGRAM LEGISLATION. The SEC announced Wednesday that it had submitted to Congress legislation to provide increased protection for investors in oil and gas drilling programs and funds. The legislation was drafted in co-operation with industry representatives pursuant to the 1969 directive of the conference committee which considered investment company reform legislation. In its transmittal letter the Commission stated:

The proposed bill is intended to deal only with oil programs which provide flow-through federal tax treatment to their investors and which generally offer their securities or participations to the public. Thus, conventional operating oil corporations are not within the definition of "oil program" in the proposed bill. Moreover, the proposal specifically excepts from that definition, among other things, certain arrangements used by many small independent oil operators to finance their activities. In this connection, the bill excludes: (1) Arrangements which have a limited number of investors and are not offering their participations to the public; and (2) arrangements which offer and sell direct fractional undivided interests in oil or gas rights in specified properties if such interests are registered under the Securities Act of 1933 or exempt from registration by Regulation B under that Act. With respect to the latter cases, the Commission found considerable difficulty in drawing an absolute distinction between the kind of oil program with which the Congress had indicated concern and oil exploration ventures of a more traditional character. An oil fund or program can readily be designed as an oil exploration venture involving direct ownership in land, have the same potential conflict of interest and be sold to the public. To deal with these borderline situations as they develop the Commission would be given authority to impose conditions on such exception by appropriate rules to protect investors.

Oil programs are generally unincorporated associations which are primarily engaged in the business of holding or investing in oil or gas interests and of exploring, drilling or producing oil or gas. As indicated above, they are designed to afford their investors flow-through tax treatment, thus enabling their investors to obtain directly the tax advantages provided in the Internal Revenue Code for the oil and gas business. Many of the problems with oil programs with which this proposed legislation is concerned stem from the structure of such programs which is generally characterized by externalized management and separation of beneficial ownership from control. As a result, the arrangements for the management of oil programs virtually always involve self-dealing and other transactions and practices which may be unfair to investors.

The attached legislative proposals would implement the objective of providing protection of investors in publicly offered oil and gas programs by requiring the registration of oil programs with the Commission and subjecting such programs to a comprehensive framework of regulation. The regulatory provisions of the proposed bill, among other things, would provide specific controls designed to prevent conflicts of interest and unfair transactions between oil programs and their managers and to insure financial responsibility of program managers. The proposed bill would also prohibit changes in fundamental policies of an oil program without the approval of the holders of program participations. It would require that persons acting as a program manager do so pursuant to a written contract which contains certain provisions and that material changes in such contracts be approved by program participants. Certain protections would be afforded to investors in programs which issue program participations with repurchase and assessment features and to investors to whom offers of exchange are made by managers and certain other persons. Some provisions of the proposal would be administered primarily by the National Association of Securities Dealers ("NASD") with Commission oversight. They include specific authorization for NASD rulemaking in the area of sales charges, sales literature, suitability of an investment and a classification system for the various forms of management compensation.

In accordance with the directive of the Managers on the part of the House, the Commission drafted the proposed legislation in cooperation with the Oil Investment Institute and after consultation with other representatives of the oil and gas industry, including the Independent Petroleum Association of America. The OII, reserving its right to suggest further clarification and technical improvement believes that the proposed bill "meets the principles expressed in the mandate given by Congress and supports the introduction of that bill in response to such Congressional mandate." The Independent Petroleum Association and others indicated concern lest this form of regulation be extended to reach the traditional independent oil operator. Accordingly, the Commission limited coverage of the bill to those oil and gas programs which offer pass through tax benefits to the investors and sell their securities to the general public, thus excluding conventional oil companies and specifically excluded small independent programs which do not make public offerings, joint ventures of persons primarily engaged in the oil or gas business, as well as issuers of direct fractional undivided interest in oil and gas rights in specified properties entitled to rely on the Regulation B exemption under the Securities Act of 1933 or registered on Form 5-10 under the Act.

OVER

SEC CITES ROBERT GERARD DIER. The SEC has ordered public proceedings under the Securities Exchange Act of 1934 involving Robert Gerard Dier, doing business as R. G. Dire & Co., New York as a New York broker-dealer.

The proceedings are based upon allegations of the Commission's staff that during the period from May 15, 1966 to August 15, 1969, while employed as vice president of C. F. Helbig & Co., a broker-dealer registered with the Commission, Robert Gerard Dier caused Helbig to violate the books and recordkeeping provisions of the Act and applicable rules thereunder.

A hearing will be scheduled by further order to take evidence on the staff allegations and to afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true, and if so, whether any action of a remedial nature should be ordered by the Commission.

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

JACKLYN SANCTIONED. The SEC announced the issuance of an order barring Gary L. Jacklyn, Mt. Clemens, Mich., from association with any broker or dealers, provided that after four months he may become so associated in a supervised capacity upon an appropriate showing that he will be adequately supervised.

According to the decision, Jacklyn, who was employed as an assistant trader by two affiliated broker-dealers firms, violated antifraud provisions of the securities acts from about May 1, 1970 to February 19, 1971, in that he effected securities transactions for customers and made purchase and sale recommendations to them when, and without disclosing that, he was not qualified or registered to engage in such activities as required by the rules and regulations of the NASD or SEC.

The remedial action was taken pursuant to an offer of settlement in which Jacklyn, without admitting or denying the charges, consented to the findings and sanctions. (Rel. 34-9635)

DECISION AS TO STEAD FINAL. The SEC announced today that a decision of the hearing examiner with respect to Robert Stead, Salt Lake City, Utah, has become final in view of Stead's withdrawal of his request for review of that decision. The examiner, on the basis of findings of violations of the registration provisions of the Securities Act in the sale of stock of Mountain States Development Company, Inc. had ordered that Stead be barred from association with any broker-dealer with the proviso that after four months he may become employed in a supervised capacity upon an appropriate showing that he will be adequately supervised. (Rel. 34-9636)

HOLDING COMPANY ACT RELEASE

SOUTHERN SERVICES, INC. The SEC has issued a notice giving interested persons until June 29, to request a hearing upon a proposal of The Southern Company and its subsidiary service company, Southern Services, Inc., to increase the amount of the subsidiary's borrowings from a bank from \$7,000,000 to \$14,000,000. The borrowings are being made in conjunction with the acquisition by Southern Services of computers and related equipment. (Rel. 35-17604)

INVESTMENT COMPANY ACT RELEASE

AMERICAN FILTRONA CORPORATION. The SEC has issued an order declaring that American Filtrona Corporation, of Richmond, Va., is engaged primarily in a business or businesses other than that of investing, reinvesting, owning, holding or trading in securities. (Rel. IC-7227)

TRUST INDENTURE ACT RELEASE

WARNER-LAMBERT. The SEC has issued an order granting an application of Warner-Lambert Company for a finding that the trusteeship of Irving Trust Company under an indenture dated March 1, 1966, heretofore qualified under the Act, and under an indenture dated August 1, 1968, not qualified under the Act, and under a new indenture dated as of April 2, 1972, not qualified under the Act, is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Irving Trust from acting as such under any of these indentures.

SECURITIES ACT REGISTRATIONS

XOMOX CORPORATION, 4444 Cooper Rd., Cincinnati, Ohio 45242, filed a registration statement on June 9 seeking registration of 500,000 shares of common stock, of which 125,000 are to be offered for public sale by the company and 375,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$17 per share maximum) through underwriters headed by White, Weld & Co., Inc., 20 Broad St., New York 10005. The company designs, manufactures and markets an industrial line of specialized valves for manual and automatic operation. Of the net proceeds of its stock sale, \$700,000 will be used to repay certain long-term indebtedness, and the balance for working capital purposes. (File 2-44589)

CONTINUED

GREAT SOUTHERN CORPORATION, 1105 N. Market St., Wilmington, Del. 19801, filed a registration statement on June 9 seeking registration of 1,000,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (* at \$18.50 per share maximum) through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004, and Rotan, Mosle-Dallas Union, Inc., 2200 Bank of Southwest Bldg., Houston, Tex. 77002. The company is engaged through subsidiaries, in life and health insurance savings and loan and other businesses. (File 2-44591)

ADRs FOR GLAXCO HOLDINGS LIMITED FILED. Morgan Guaranty Trust Company of New York, 23 Wall St., New York City, filed a registration statement on June 8 seeking registration of 100,000 American Depository Receipts for ordinary shares of Glaxco Holdings Limited (a British corporation). (File 2-44592)

JERSEY CENTRAL POWER & LIGHT COMPANY, Madison Ave. at Punch Bowl Rd., Morristown, N. J. 07960, filed a registration statement on June 9 seeking registration of \$25 million of first mortgage bonds, due 2002, to be offered for public sale at competitive bidding. Net proceeds will be used to prepay a portion of the company's short-term bank loans incurred for construction expenditures (estimated at \$139,100,000 for 1972). (File 2-44594).

HEUBLEIN, INC., 330 New Park Ave., Hartford, Conn. 06101, filed a registration statement on June 9 seeking registration of 185,813 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (* \$60 per share maximum). (File 2-44595)

STEPAN CHEMICAL COMPANY, Edens and Winnetka, Northfield, Ill. 60093, filed a registration statement on June 9 seeking registration of 17,385 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (* \$41.125 per share maximum). (File 2-44597)

HAZEN RESEARCH, INC., 4601 Indiana St., Golden, Colo. 80401, filed a registration statement on June 12 seeking registration of 260,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 60,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$11 per share maximum) through underwriters headed by Bosworth, Sullivan & Company, Inc., 660 - 17th St., Denver, Colo. 80202. The company is primarily engaged in providing research and development services principally in the mining industry. Net proceeds will be used for working capital and general corporate purposes. (File 2-44598)

SALEM CARPET MILLS, INC., 600 Jonestown Rd., Winston-Salem, N. C. 27103, filed a registration statement on June 12 seeking registration of 360,000 shares of common stock, of which 210,000 are to be offered for public sale by the company and 150,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$15 per share maximum) through underwriters headed by Reynolds Securities Inc., 120 Broadway, New York 10005. The company manufactures tufted carpets made from synthetic fibers and markets them under the "Salem" trade name. Net proceeds will be used for working capital and general corporate purposes. (File 2-44604)

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Footo, Cone & Belding Communications, Inc., New York, N. Y. (File 2-44533) - 75,000 shares
 Curtiss-Wright Corporation, Wood-Ridge, N. J. (File 2-44576) - 475,000 shares
 Royal Industries, Inc., Pasadena, Calif. (File 2-44580) - 300,000 shares
 Odyssey Incorporated, Evanston, Ill. (File 2-44593) - 75,000 shares
 Equitable Life Insurance Company of Iowa, Des Moines, Iowa (File 2-44596) - 200,000 shares
 Computer Communications, Inc., Culver City, Calif. (File 2-44599) - 150,000 shares
 Helena Rubinstein, Inc., New York, N. Y. (File 2-44600) - 75,000 shares
 Pacific Resources, Inc., Honolulu, Hawaii (File 2-44601) - 98,750 shares
 Aetna Life and Casualty Company, Hartford, Conn. (File 2-44602) - 325,581 shares
 Louisiana General Services, Inc., Harvey, La. (File 2-44606) - 25,000 shares
 Hardee's Food Systems, Inc., Rocky Mount, N. C. (File 2-44608) - 110,000 shares
 The McCarthy Company, Anaheim, Calif. (File 2-44610) - 125,000 shares

MISCELLANEOUS

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "**"):

OVER

NO.	REGISTRANT	LOCATION
6254	Associated Mortgage & Invst. Corp	Phoenix, AZ
6129	Atreo Mfg. Co Inc**	Brooklyn, NY
6121	Bancorporation of Montana**	Great Falls, MT
6132	Charvoz Carsen Corp**	Fairfield, NJ
6285	Copps Corp	Stevens Point, WI
6284	Cow Gulch Oil Co	Denver, CO
6258	Dixel Ind., Inc	Houston, TX
6131	Fabric Wholesalers, Inc**	Portland, OR
6114	Freedman Ind., Inc	Houston, TX
6257	Hanley Consolidated, Inc	Erie, PA
6292	Holiday Resorts Intl., Inc	Oklahoma City, OK
6287	George Lindsey Intl., Inc	Little Rock, AR
6112	M & S Bancorp**	Janesville, WI
6262	National Aviation Underwriters, Inc	Edmundson, MO
6290	National Savings Corp	Murfreesboro, TN
6123	Oratronics, Inc**	New York, NY
6125	FTC Ind. Inc**	Miami, FL
6295	Pacific Plan Invstrs Fund No.1	Menlo Park, FL
6118	Peachtree Doors, Inc**	Norcross, GA
6253	Simmons First Natl. Corp	Pine Bluff, AR
6259	Southland Financial Corp	Wilmington, DE
6113	Springer Corp**	Albuquerque, NM
6276	State Savings & Loan Assoc.	Stockton, CA
6294	T-Bar Inc	Wilton, CT
6282	Techno Corp	Erie, PA

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of (a) Cogar Corporation for the further ten-day period June 16-25, inclusive, (b) Topper Corporation for the further ten-day period June 18-27, inclusive, and (c) First World Corporation for the further ten-day period June 19-28, inclusive and (d) exchange and over-the-counter trading in the securities of Tanger Industries for the further ten-day period June 17-26, inclusive.

SECURITIES ACT REGISTRATIONS. Effective June 13: The Goodyear Tire & Rubber Co., 2-44537; Kinnard Companies, Inc., 2-41131 (90 days); Leath and Co., 2-44103; Effective June 14: Alcon Laboratories, Inc., 2-44186 (40 days); American Filtrona Corp., 2-43302 (90 days); Apache Corp., 2-43390 (90 days); Consolidated Edison Co. of New York, Inc., 2-44344; Doric Corp., 2-44337; Harcourt Brace Jovanovich, Inc., 2-44312; House of Knitting, Inc., 2-43355 (90 days); Philip A. Hunt Chemical Corp., 2-44582; Ideal Toy Corp., 2-44237; Income Mortgage & Realty Shares, 2-43991; Microwave Power Devices, Inc., 2-42255 (90 days); Jas. H. Oliphant & Co., Inc., 2-43317 (90 days); Palmer Bank Corp., 2-43926; Quaker State Oil Refining Corp., 2-44551.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

---ooo0ooo---

ONLY the SEC News Digest is for sale by the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402. All other referenced material must be ordered from the Securities and Exchange Commission Washington, D. C. 20549. In ordering full text of Releases from SEC Publications Unit cite number.

ERROR IN ISSUE NUMBERS

Issue No. 72-115 - Friday, June 16, 1972

Issue No. 72-117 - Monday, June 19, 1972